



ANNUAL REPORT

2003-2004



KADAMB

CONSTRUCTIONS LIMITED

Registered Office :
211-212, SHALIMAR COMPLEX
CHURCH ROAD, M. I. ROAD
JAIPUR-302 001

BOARD OF DIRECTORS

Mr. Mahesh Kumar Gupta
Mr. Ganga Ram Khandelwal*
Mr. C. P. Goel
Mr. Rajendra Sharma*
Mr. Bajrang Lal Agarwal*
Mr. Raja Mathur*
Mrs. Heeru Gupta
*Independent Directors

Chairman Cum Managing Director
Director
Director
Director
Director
Director
Director

AUDITORS

M/s. Maheshwari & Kedawat
Chartered Accountants.
104, Navjeevan Chambers,
Vinoba Marg, C-Scheme,
JAIPUR - 302001

BANKERS

UCO - Bank, Jaipur
Oriental Bank of Commerce, Jaipur

REGISTERED OFFICE :

211-212, SHALIMAR COMPLEX
CHURCH ROAD, M. I. ROAD
JAIPUR - 302001

REGISTRAR OF SHARE TRANSFERS :

Beetal Financial & Computer Services (P) Ltd.
321-S, Chirag Delhi
(Near Shahid Bhagat Singh College)
New Delhi - 110017
Tel. : 29251990, 29250390
Fax : 011-29252146

NOTICE

Notice is hereby given that the NINTH Annual General Meeting of KADAMB CONSTRUCTIONS LIMITED, will be held on Wednesday the 29th September, 2004, at 10.30 a.m. at Registered Office : 211-212, Shalimar Complex, Church Road, Jaipur to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2004, and the Profit & Loss Account for the year ended on that date together with Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Bajrang Lal Agarwal, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Raja Mathur, who retires by rotation and being eligible, offers himself for reappointment.
4. To reappoint Auditors to hold office from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

Date : 28th August, 2004

By Order of the Board

Place : Jaipur

sd/

(Mahesh Kumar Gupta)
Chairman cum Managing Director

Notes :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member. However, Proxy form must be deposited at the Registered office of the Company not later than 48 hours before commencement of the meeting.
2. The Register of Members and Share Transfer books of the company will remain closed from 24th September, 2004 to 29th September, 2004 (both days inclusive).
3. Shareholders are requested to advise the company immediately of any change in their addresses.
4. Members are requested to quote their folio numbers in all their correspondence.
5. The shareholders desiring any information as regards accounts are requested to write to the company at an early date, so as to enable the management to keep information ready.
6. Members are requested to bring their copies of Annual Report to the Meeting.
7. Members who continue to hold shares in physical form are requested to intimate any changes in their address immediately with postal pin code to the Company's Registrars and Share Transfer Agent, viz., Beetal Financial & Computer Services (P) Ltd., 321-S, Chirag Delhi, (Near Shahid Bhagat Singh College), New Delhi - 110017 quoting their folio numbers.

FURTHER, please note that in the case of demat shares, any change(s) required in Address, Bank Details, Bank Mandate, ECS Mandate, power of attorney and also requested for registration of nomination, transmission etc. are to be intimated to your DP and not to the company or our Registrar :

Date : 28 August, 2004

By Order of the Board

Place : Jaipur

sd/

(Mahesh Kumar Gupta)
Chairman cum Managing Director

Regd. Office :

211-212, Shalimar Complex
Church Road, Jaipur-302001

DIRECTORS REPORT

Dear Members,

We have pleasure in presenting the Ninth Annual Report of your company along with the Audited Accounts for the year ended on 31st March, 2004.

(1) FINANCIAL HIGHLIGHTS :
(Rs. in lacs)

Particulars	For the year ended 2003-2004	For the year ended 2002-2003
Total Income	15.88	42.71
Profit (Loss) before Depreciation Interest and Tax	3.32	19.10
Less : Interest	1.51	—
Less : Depreciation	1.46	0.85
Profit (Less) before tax	0.35	18.25
Provision for tax	0.03	6.59
Deferred tax Assets/Liabilities	0.21	0.28
Profit / (Loss) after tax for the year	0.11	11.38
Add (Loss) Profit / Loss B/F from the Previous year	15.62	9.24
Less : Deferred tax till 01/04		
Transfer to General	0	5.0
Profit / (Loss) Carried over to balance sheet	0.25	15.62

2. PUBLIC DEPOSITS

During the year the company has not accepted any deposits from the public.

3. CORPORATE GOVERNANCE

Report on corporate governance is annexed with this report as separated section.

4. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and articles of association of the company Mr. Bajrang Lal Agarwal & Mr. Raja Mathur retire by rotation and being eligible offer themselves for reappointment.

5. AUDITORS

The term of the present Statutory Auditors of the company M/s. Maheshwari & Kedawat, Chartered Accountants, Jaipur expires at the conclusion of this Annual General Meeting, being eligible offer themselves for reappointment.

6. INFORMATION REQUIRED UNDER SECTION 2 (A) OF SECTION 217

None of the employee of your company is covered under the provisions of section 217 (2A) of the companies Act, 1956 read with the companies (Particulars of Employees) Rules, 1956, as amended.

7. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of board of directors) Rules, 1988, are not given as the same is either not applicable or nil of the company.

During the year no foreign exchange was earned or spend by the company.

8. DIRECTORS RESPONSIBLYT STATEMENT

The directors confirm :

- A. That in preparation of the annual accounts, the applicable accounting standards have been followed and that no material departure have been made from the same.
- B. That they have selected such account in policies and applied them consistently and made judgements and estaimated that are resonable and proudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the profits or loss of the company for that period.
- C. That they have taken proper and sufficient care for the maintainance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud, irregularities.
- D. That they have prepared the annual accounts on a going concern basis.

9. ACKNOWLEDGEMENT

Your Directors wish to place on records their sincere appreciation for the bankers, government department and the dedicated employees of the company.

On Order of the Board of Directors

Dated : 28.08.2004

Place : Jaipur

sd /
(Mahesh Kumar Gupta)
Chairman cum Managing Director

sd /
(Heeru Gupta)
Director

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

The board has adopted and is committed to adopting its obligations under relevant regulations and laws, as well as any relevant best practices relating to corporate governance. The board believes that good governance is voluntary and self-disciplined with the strongest impetus coming from directors and the management itself, and ultimately leads to enhancement of value for all stakeholders. The management and organisation as Kadamb Constructions Limited aims to be progressive, competent and trustworthy creating and enhancing value for stakeholders and customers, while selecting and respecting the best of Indian values in conduct. The board lays significant emphasis on integrity, transparency and accountability.

1. BOARD OF DIRECTORS
Composition

The board consists of seven directors, of whom four are non-executive and independent directors.

Details of all directors are given below by category, attendance, total directorships and memberships and chairmanships of board committees.

S. No.	Name of Director	Category	Of board Meetings*		Attended last AGM**	No. of outside Directorship
			Held	Attended		
1.	Mr. Mahesh Kumar Gupta	Executive	10	10	Yes	7
2.	Mr. Gangaram Khandelwal	Independent	10	10	Yes	1
3.	Mr. C. P. Goel	Non-Executive	10	—	Yes	1
4.	Mr. Rajendra Sharma	Independent	10	10	Yes	—
5.	Mr. Bajrang Lal Agarwal	Independent	10	10	No	—
6.	Mr. Raja Mathur	Independent	10	10	No	—
7.	Mrs. Heeru Gupta	Executive	10	10	Yes	1

*There were 10 meetings held during the year on 23.04.2003, 19.06.2003, 27.06.2003, 19.07.2003, 28.07.2003, 31.07.2003, 04.08.2003, 25.08.2003, 23.10.2003 and on 28.01.2004

**Last Annual General Meeting (AGM) was held on 29th August, 2003 at Corporate Office : 211-212, Shalimar Complex, Church Road, M. I. Road, Jaipur.

2. AUDIT COMMITTEE

The Informations regarding the Composition of Audit Committee, no. of meetings attended by the members of Audit Committee are as under :—

S. No.	Name of Directors	Position in Committee	No. of Meetings*	
			Held	Attended
1.	Mr. Ganga Ram Khandelwal	Chairman	5	5
2.	Mr. Raja Mathur	Member	5	5
3.	Mr. Bajrang Lal Agarwal	Member	5	5

There were five meetings held during the year on 10.04.2003, 27.06.2003, 28.07.2003, 23.10.2003, and on 28.01.2004

3. SHAREHOLDER'S GRIEVANCE COMMITTEE :

The Committee reviewed the shareholder grievances, their redressal and the share transfers for the year and expressed satisfaction with the same. There is no pending grievance of investor against the company.

4. REMUNERATION COMMITTEE :

The information regarding the Composition of Remuneration Committee is as under :—

S. No.	Name of Directors	Position in Committee
1.	Mr. Bajrang Lal Agarwal	Chairman
2.	Mr. Raja Mathur	Member
3.	Mr. Ganga Ram Khandelwal	Member

There was one meeting of the above Committee on 31.05.2004 which was attended by all three members of the committee.

5. GENERAL SHAREHOLDER'S INFORMATION :

1. Date of Book closure : 24.09.2004 to 29.09.2004 (both days inclusive)

2. Date and venue of AGM :

Date : 29.09.2004

Day : Wednesday

Time : 10.30 A.M.

Venue of AGM : Registered Office at 211-212, Shalimar Complex, Church Road, M. I. Road, Jaipur-302001

3. Financial Calendar (tentative and subject to change)

Financial reporting for the first quarter ending June 30, 2004	:	July, 2004
Financial reporting for the second quarter ending Sept. 30, 2004	:	Oct., 2004
Financial reporting for the third quarter ending Dec. 31, 2004	:	Jan., 2005
Financial reporting for the year ending March 31, 2005	:	June, 2005
Annual General Meeting for the year ending March 31, 2005	:	Aug./Sept. 2005

6. Stock Codes

The Stock Exchange, Mumbai

ISIN No. for NSDL and CDSL INE 469F01018

 The Company has paid the listing fees for the period from 1st April, 2003 to 31st March, 2004.

7. Distribution of shareholding as on 31st March, 2004

No. of equity shares held	Folios		Share	
	Number	%	Number	%
Upto 5000	200	69.69	42700	1.74
5001-10000	36	12.54	31800	1.30
10001-20000	14	4.88	22600	0.92
20001-30000	4	1.39	10300	0.42
30001-40000	-	-	-	-
40001-50000	-	-	-	-
50001-100000	13	4.53	115400	4.72
100001 and above	20	6.97	2224700	90.90
Total	287	100.00	2447500	100.00

8. Category of shareholders as on 31st March, 2004

Category	No. of Shares	Voting Strength
A Promoters Holding		
1. Promoters & Relatives (including directors)	2000000	81.72%
Foreign Promoters	Nil	Nil
2. Persons acting in concern#	-	-
Sub Total		
B Non-Promoters Holding	447500	18.28%
3 Institutional Investors	Nil	Nil
b Mutual Funds and UTI	Nil	Nil
Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non Governments Institutions)	Nil	Nil
4. Other		
a Private Corporate Bodies	77200	3.15%
b Indian Public (Resident Individuals)	370300	15.13%
c NRI / OCBs	Nil	Nil
d Any other (Please Specify)	Nil	Nil
Sub Total	Nil	Nil
Grand Total	2447500	100.00%

9. Shareholding of Promoters/Directors their relatives, associate companies officer of the Company pursuant to SEBI Regulations :

Name	Relation	No. of Shares	% to Total
Shri Mahesh Kumar Gupta	Promoters	378300	15.46%
Smt. Heeru Gupta	Promoters	1061600	43.37%
Smt. Satyawati Gupta	Promoters	85100	3.48%
Mahesh Kumar Gupta (HUF)	Promoters	85000	3.48%
Mansi Gupta	Promoters Relatives	340000	13.89%
Jaipur Sales (P) Ltd.	Associate company	68500	2.80%

To
The Members of
Kadamb Constructions Limited
211-212, Shalimar Complex, Church Road
Jaipur - 302 001

We have examined the compliance of conditions of corporate governance by Kadamb Constructions Limited for the year ended 31st March, 2004 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination, conducted in the manner described in the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India, was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Jaipur

Dated : 28.08.2004

For Maheshwari & Kedawat
Chartered Accountants

(V. K. Kedawat)
Partner
Membership No. 74211

AUDITOR'S REPORT

To,
The Members of **KADAMB CONSTRUCTIONS LIMITED**
Jaipur.

We have audited the attached Balance Sheet of **KADAMB CONSTRUCTIONS LIMITED**, as at 31st March, 2004 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimate made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
2. As required by the Companies (Auditors' Report) order, 2003 issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said Order.
3. Further to our comments in the Annexure referred to above, we report that :
 - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
 - ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far appears from our examination of those books.
 - iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
 - v) On the basis of written representations received from the directors as on March 31, 2004 and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on March 31, 2004 from being appointed as director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required give a true and fair view in conformity with the accounting principles generally acceted in India;
 - a) In the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 2004;
 - b) In the case of Profit and Loss Account, of the Profit for the year ended on that date; and
 - c) In the case of Cash Flow statement, of the cash flows for the year ended on that date.

Place : Jaipur

Dated : 29.06.2004

For **Maheshwari & Kedawat**
Chartered Accountants

(V. K. Kedawat)
Partner
Membership No. 74211

ANNEXURE TO THE AUDITOR'S REPORT
[Referred to in paragraph 2 of our report of even date]

1. (a) The Company has maintained proper records to showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us the fixed assets have been physically verified by the management during the year which in our opinion is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such physical verification.
- (c) In our opinion, a substantial part of the fixed assets has not been disposed off by the Company during the year.
2. In respect of its inventories :
 - (a) As explained to us, inventories have been physically verified by the Management at regular intervals during the year.
 - (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. (a) In our opinion and according to the information and explanation given to us, the company has taken unsecured loan, from Director covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount of loan taken during the year was of Rs. 52.75 Lacs.
- (b) In our opinion, the company has not granted any loans, secured or unsecured, to companies firms, or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (c) In our opinion and according to the information and explanations given to us, the rates of interest and other terms and conditions on which loans have been taken from companies, firms, or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie. Prejudicial to the interest of the company.
- (d) As explained to us, in respect of loans taken there are no stipulation as to repayment and regular in the payment of interest.
- (e) There is no overdue amount of loans, secured or unsecured, taken from companies, firms, or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to explanations given to us, there are no purchases of inventory and fixed assets during the year, hence the question of internal control procedure does not arise with the size of the Company and the nature of its business with regard to the purchases of inventory and fixed assets and however with regards to the sale of construction unit there are adequate internal control procedure commensurate with the size of the company and nature of its business. During the course of audit, we have not observed any major weakness in internal control.
5. In respect of transaction entered in the register maintained in pursuance of section 301 of the companies Act, 1956:
 - (a) According to the information and explanations given to us, that the transaction that needed to be entered in the register have been so entered.
 - (b) In our opinion and according to explanation given to us, during the year there are no transaction exceeding of Rs. 5.00 Lacs, made in pursuance of contract or arrangements entered in the register maintained under section 301 of the Companies Act. 1956.

6. The Company has not accepted any deposit from public.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records Under Section 209 (1) (d) of the Companies Act, 1956 in respect of the products of the Company.
9. In respect of statutory dues :
According to the records of the Company undisputed statutory dues including Provident Fund, Investor Education Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty and other Statutory Dues whichever is payable by the company have been generally regularly deposited by the company. According to the information and explanation given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as on 31st March, 2004 for a period of more than 6 months from the date of becoming payable.
10. The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
11. According to the information and explanations given to us and the record examined by us, the company has not defaulted in repayment of dues to any financial institution or bank.
12. In our opinion and according to information and explanations given to us, no loans and advance have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing in the shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to the information and explanation given to us, the Company has not given any guarantee for loan taken by others from banks and financial institutions, the terms and conditions whereof are prime facie prejudicial to the interest of the Company.
16. The Company has not obtained any terms loan during the year.
17. In our opinion and explanation given to us, and on an overall examination of the balance sheet of the Company, we report that no fund raised on short term basis have been used for long term investment and vice-versa.
18. The company has not made any preferential allotment of shares during the year.
19. The company has not issued any debenture during the year.
20. The Company has not raised any money by public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statement to be materially misstated.

For Maheshwari & Kedawat
Chartered Accountants

Place : Jaipur

Dated : 29.06.2004

(V. K. Kedawat)
Partner
Membership No. 74211

BALANCE SHEET as on 31st March, 2004

PARTICULARS	SCHEDULE No.	AMOUNT AS ON 31.03.2004	
		Rs.	Rs.
SOURCES OF FUNDS			
Shareholder's Funds			
Share Capital	1	37503000	37503000
Reserve & Surplus	2	<u>2073624</u>	<u>2062334</u>
		39576624	39565334
Loan Funds :			
Secured Loan	3	345762	516400
Unsecured Loan	4	<u>1535730</u>	<u>0</u>
		1881492	516400
Deferred Tax Liability		181004	159874
TOTAL		<u>41639120</u>	<u>40241608</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	2163959	2163959
Less : Depreciation		<u>604783</u>	<u>459365</u>
Net Block		1559176	1704594
Investments	6	271200	271200
Current Assets, Loans & Advances			
Accrued Interest		0	29463
Inventories	7	5938876	6225181
Sundry Debtors	8	0	0
Cash & Bank Balances	9	452469	662632
Loans & Advances	10	<u>34184207</u>	<u>32723336</u>
		40575552	39640612
Less : Current Liabilities & Provisions	11	<u>1094404</u>	<u>1866519</u>
		39481148	37774093
Net Current Assets			
Miscellaneous Expenditure	12	327596	491721
(to the extent not yet w/off/adjusted)			
TOTAL		<u>41639120</u>	<u>40241608</u>

Significant Accounting Policies

& Notes on Accounts 18

Schedule 1 to 12 and 18 attached to the Balance Sheet are an integral Part thereof

As per our report of even date annexed

For and on behalf of the Board

 For **MAHESHWARI & KEDAWAT**
 Chartered Accountants

 V. K. Kedawat
 Partner

Membership No. 74211

 M. K. Gupta
 Chairman cum
 Mg. Director

 Ganga Ram Khandelwal
 Director

 Heeru Gupta
 Director

Place : Jaipur

Dated : 29.06.2004

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED as on 31st March, 2004

PARTICULARS	SCHEDULE No.	AMOUNT AS ON 31.03.2004 Rs.	AMOUNT AS ON 31.03.2003 Rs.
INCOME			
Sale of Constructed Units		495000	500000
Other Income	13	1093476	3770574
Increase / (decrease) in Stock	14	(286305)	(165675)
		<u>1302171</u>	<u>4104899</u>
EXPENDITURES			
Building Materials Consumed	15	0	0
Construction Expenses	16	0	50000
Office, Administrations & Selling Expenses	17	802363	1829433
Miscellaneous Exp. written off		164123	164123
		<u>966486</u>	<u>2043556</u>
Profit Before Interest, Depreciation & Income Tax		<u>335685</u>	<u>2061343</u>
Interest		150837	—
Depreciation		145418	84975
Expenses Related to earlier year		3973	155392
Income Related to earlier year		—	4400
Profit After Interest & Dep.		35457	1825376
— For Current Year	3037		658864
— For Deffered Tax	21130	24167	28332
Profit/(Loss) for the year		11290	1138160
Less : Transfer to General Reserve		0	500000
Balance Carried to Balance sheet		11290	638160
Significant accounting policies and notes on accounts.	18		

Schedule 13 to 18 attached to the Profit & Loss Account are an integral Part thereof

As per our report of even date annexed

For **MAHESHWARI & KEDAWAT**
Chartered Accountants

For and on behalf of the Board

V. K. Kedawat
Partner
Membership No. 74211

M. K. Gupta
Chairman cum
Mg. Director

Ganga Ram Khandelwal
Director

Heeru Gupta
Director

Place : Jaipur
Dated : 29.06.2004

**SCHEDULES ATTACHED TO AND FORMING AN INTEGRAL PART OF THE ACCOUNTS
 FOR THE YEAR ENDED as on 31st March, 2004**

(Amount in Rs.)

SCHEDULE 1 : SHARE CAPITAL		Amount As on 31.03.2004	Amount As on 31.03.2003
Authorised Share Capital			
5500000	Equity Share Capital of Rs. 10/- each	<u>55000000</u>	<u>55000000</u>
Issued, Subscribed and Paid Up			
2447500	Equity Shares of Rs. 10/- each issued cash at par	24475000	24475000
Add : Shares Forfeiture Account		<u>13028000</u>	<u>13028000</u>
		<u>37503000</u>	<u>37503000</u>

SCHEDULE 2 : RESERVE & SURPLUS	As at 31.03.2003	Additions	Deductions/ Adjustment	As at 31.03.2004
General Reserve	500000	0	0	500000
(Previous year)	(0)	(500000)	(0)	(500000)
Profit & Loss A/c Balance	1562334	11290	0	1573624
(Previous year)	(924174)	(1138160)	(500000)	(1562334)
Total	2062334	11290	0	2073624
(Previous) year)	(924174)	(1138160)	(500000)	(2062334)

SCHEDULE 3 : SECURED LOAN	Amount As on 31.03.2004	Amount As on 31.03.2003
Term Loan from ICICI Bank Ltd. against the purchase of car (Secured by Hypothecation of the car and personal guarantee of the Directors of the company)	345762	516400
	<u>345762</u>	<u>516400</u>

SCHEDULE 4 : UNSECURED LOAN	Amount As on 31.03.2004	Amount As on 31.03.2003
From Directors	1535730	0
From Others	0	0
	<u>1535730</u>	<u>0</u>

Schedule attached to and forming an Integral Part of the Balance Sheet as at 31.03.2004.
SCHEDULE 5 : FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Opening Balance as on 1.4.03 Rs.	Add/(Del.) During the Year Rs.	As on 31.3.04 Rs.	Upto 31.3.03 Rs.	For the Year Rs.	Upto 31.3.04 Rs.	As on 31.3.04 Rs.	As on 31.3.03 Rs.
Office Premises	564000	0	564000	66721	9193	75914	488086	497279
Plant & Machinery	70850	0	70850	22384	3365	25749	45101	48466
Office Equipment	121302	0	121302	22964	5762	28726	92576	98338
Computer, Printer & Software	188460	0	188460	162038	26422	188460	0	26422
Vehicle	741038	0	741038	7522	70399	77921	663117	733516
Furniture & Fixture	478309	0	478309	177736	30277	208013	270296	300573
Total	2163959	0	2163959	459365	145418	604783	1559176	1704594
Previous Year	1399236	764723	2163959	374390	84975	459365	1704594	1024846

SCHEDULE 6 : INVESTMENTS

	No(s) of share	Amount 31.3.2004	No(s) of share	Amount As on 31.3.2003
Investment in Shares				
(Quoted and valued at cost)				
Union Bank of India	10700	171200	10700	171200
(Aggregate Mkt. Value as on 31.3.04 Rs. 556400 Previous year Aggregate Value Rs. 267500)				
Total (A)		<u>171200</u>		<u>171200</u>
Non Trade (At Cost) Unquoted				
Gajanand Builid Estate Pvt. Ltd. of Rs. 10/- Each fully paid up for cash at pat	10000	100000	10000	100000
Total (B)		<u>100000</u>		<u>100000</u>
Grand Total (A + B)		<u>271200</u>		<u>271200</u>

SCHEDULE 7 : INVENTORIES

(VALUED & CERTIFIED BY THE MANAGEMENT OF THE COMPANY)	Amount As on 31.3.2004	Amount As on 31.3.2003
Building Materials (Raw Materials) (Valued at cost)	29000	29000
Unallocated land / Land Related Exp. (Valued at cost)	745714	917420
Work in Progress (Flats/Shops) (Valued at estimated cost)	622131	736730
Flats (Finished)	4542031	4542031
	<u>5938876</u>	<u>6225181</u>

SCHEDULE 8 : SUNDARY DEBTORS

	Amount As on 31.03.2004	Amount As on 31.03.2003
Sundry Debtors (Unsecured and considered good)		
Exceeding six month	0	0
Other debts	0	0
	<u>0</u>	<u>0</u>

Schedule attached to and forming an Integral Part of the Balance Sheet as at 31.03.2004.
SCHEDULE 9 : CASH & BANK BALANCES

(Certified by Directors)

	Amount		Amount	
	As on 31.3.2004		As on 31.3.2003	
Cash / Cheques in Hand	143653		349407	
Balance with Scheduled Bank (Subject to reconciliation & Confirmation)				
(a) In Current Account				
With Schedule Bank :				
UCO Bank	10166		10236	
Global Trust Bank Ltd.	298650	308816	302989	313225
		<u>452469</u>		<u>662632</u>

SCHEDULE 10 : LOANS & ADVANCES

	Amount		Amount	
	As on 31.3.2004		As on 31.3.2003	
Advances Recoverable in cash or in kind or for value to be received	824921		1833125	
Prepaid Expenses	16525		0	
Advances to Suppliers	91009		85719	
Advances to Staff	10600		11100	
Other Loans & Advances	1284023		12604363	
Security Deposits with Govt./others	25029		25029	
Equity Share Application Money	31932100		18164000	
	<u>34184207</u>		<u>32723336</u>	

SCHEDULE 11 : CURRENT LIABILITIES AND PROVISIONS

	Amount		Amount	
	As on 31.3.2004		As on 31.3.2003	
CURRENT LIABILITIES				
Creditors for Goods	86670		86670	
Creditors for Expenses	251455		192840	
Other current Liabilities	8380		0	
Advance from Customers against Flats / Shop booking	500000		720000	
TDS Payable	13963		11239	
Unearned Interest	0		12193	
Outstanding Expenses	230899		184693	
	<u>1091367</u>		<u>1207635</u>	
PROVISIONS				
Provision for Income Tax	3037		658884	
	<u>1094404</u>		<u>1866519</u>	

SCHEDULE 12 : MISCELLANEOUS EXPENDITURES	Amount	Amount
(To the extent not written off / adjusted)	As on 31.3.2004	As on 31.3.2003

Preliminary Expenses	650	1300
Public Issue Expenses	<u>326946</u>	<u>490421</u>
	<u>327596</u>	<u>491721</u>

SCHEDULE 13 : OTHER INCOME	Amount	Amount
	As on 31.3.2004	As on 31.3.2003

Interest	859206	3687674
Rent	180000	81400
Dividend	43870	0
Maintainance Charges	0	1500
Interest related to Pre. Year	10400	0
	<u>1093476</u>	<u>3770574</u>

SCHEDULE 14 : INCREASE / (DECREASE IN STOCK)

	Amount	Amount
	As on 31.3.2004	As on 31.3.2003
Closing Stock	5909876	6196181
Less : Opening Stock	6196181	6361856
Increase/(-Decrease) in stock	<u>(286305)</u>	<u>(165675)</u>

SCHEDULE 15 : BUILDING MATERIAL CONSUMED

	Amount	Amount
	As on 31.3.2004	As on 31.3.2003
Opening Stock	29000	29000
Add : Purchases	0	0
Sub : Total	<u>29000</u>	<u>29000</u>
Less : Closing Stock	<u>29000</u>	<u>29000</u>
	<u>0</u>	<u>0</u>

SCHEDULE 16 : CONSTRUCTIONS EXPENSES

	Amount As on 31.3.2004	Amount As on 31.3.2003
Construction Exp. with Materials	0	50000
	<u>0</u>	<u>50000</u>

**SCHEDULE 17 : OFFICE, ADMINISTRATION AND SELLING
& DISTRIBUTION EXPENSES**

	Amount As on 31.3.2004	Amount As on 31.3.2003
Advertisement Expenses	23038	26858
AGM Expenses	2200	4165
Bank Charges	660	1160
Books & Periodicals Expenses	250	0
Charity & Donations	0	60000
Directors Remuneration	120000	120000
Electricity & Water Expenses	24453	23657
Internal Audit Expenses	64500	138480
Insurance	2034	0
Legal & Professional Charges	149006	175498
Repairs & Maintenance Expenses	39177	70557
Bad debts	0	665131
Office Expenses	7055	10848
Postage & Telegram Expenses	3026	3357
Printing & Stationery Expenses	16435	19371
Salary & Wages	242740	414803
Staff Welfare Expenses	14778	11163
Telephone Expenses	38876	11619
Travelling & Conveyance Expenses	13012	31616
Vehicle Running & Maint Expenses	1623	2550
Auditor's Remuneration		
Audit fee	30000	30000
In Other Capacity	7100	7100
Re-imbrushment of Expenses	2400	1500
	<u>802363</u>	<u>1829433</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2004

Rs. in Lacs

PARTICULARS	31.03.2004	31.03.2003
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before Tax	0.39	18.26
Adjustment for :		
Depreciation	1.45	0.85
Misc. Exps. Written off	1.64	1.64
Operating profit before Working Capital Change (a)	<u>3.48</u>	<u>20.75</u>
Adjustment for :		20.75
a) Inventories	2.86	1.66
b) Trade and Other Receivable	(14.31)	(17.30)
c) Other current assets	0	0
d) Trade Payables and other Liabilities	(7.72)	(3.26)
Total (B)	<u>(19.20)</u>	<u>(18.90)</u>
Cash Generated from Operation (a+b)	(15.72)	1.85
Direct Tax paid	(0.03)	(6.58)
Net Cash generated (used) from Operating Activities	(15.75)	(4.75)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
a) Purchase of Fixed Assets	0	(7.65)
b) Investment in Shares	0	12.29
Net Cash used in Investment Activity	0	4.64
C. CASH FLOW FROM FINANCING ACTIVITIES :		
a) Net Proceeds from Share Capital	0	0
b) Working Capital loan / repayment	0	0
c) Other Loan	13.64	5.16
d) Dividend Paid	0	0
Net Cash generated (used) in finance activities	13.65	5.16
Net increase/(decrease) in cash and cash equivalent (A+B+C)	(2.11)	5.05
Opening Balance of cash and cash equivalent	6.63	1.58
Closing Balance of cash and equivalent of cash	4.52	6.63

As per our Separate Report of even dated

Annexed hereto

 For **MAHESHWARI & KEDAWAT**
 Chartered Accountants

For and on behalf of the Board

V. K. Kedawat

Partner

Membership No. 74211

M. K. Gupta

Chairman cum

Mg. Director

G. R. Khandeiwal

Director

Heeru Gupta

Director

Place : Jaipur

Dated : 29.06.2004

Auditor's Certificate

We have examined the attached cash flow statement of KADAMB CONSTRUCTIONS LIMITED for the year ended March 31, 2004. The statement has been prepared by the company in accordance with requirements of clause 32 of Listing Agreement and is based on and in agreement with the Profit & Loss account and balance sheet of the company.

 For **MAHESHWARI & KEDAWAT**
 Chartered Accountants

Place : Jaipur

Dated : 29.06.2004

V. K. Kedawat

Partner

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**SCHEDULE 18 :****A) BASIS OF ACCOUNTING :**

The accounts are prepared on the basis of historical cost convention and on the accounting principles of a going concern. All expenses and income to the extent ascertainable with reasonable certainty, considered payable and receivable, are accounted for on accrual basis, unless otherwise stated.

B) REVENUE RECOGNITION :

The Company followed contract method of accounting in respect of its construction activities. Under this method the turnover and profit on sale of residential and commercial unit is effected only when the units are sold out.

C) FIXED ASSETS AND DEPRECIATION :

- i) Fixed Assets valued at cost less accumulated depreciation.
- ii) Depreciation on fixed assets has been provided on straight line method at the rates prescribed under Schedule XIV to the Companies Act, 1956.
- iii) Depreciation on the fixed assets has been charged from the date they were first put to use.

D) INVENTORIES AND WORK IN PROGRESS :

- i) Construction Material (Raw Material) are valued at cost.
- ii) Work in progress is stated at estimated cost. The cost include land and land development, if any allocated land cost, construction and development expenses etc.
- iv) Land and land related expenses valued at cost.
- v) Finished Stock (Flats/commercial unit) are stated at estimated cost.

E) MISCELLANEOUS EXPENDITURE :

- i) Preliminary Expenditure shown under the head Miscellaneous Expenditures, written off over a period of 10 years in equal instalment.
- ii) Public Issue Expenses shown under the head Miscellaneous Expenditure, written off over a period of 10 years in equal instalments.

F) INVESTMENTS :

Investment are stated at cost. No adjustment is made in carrying cost for temporary decline in the value of investments.

G) TAXATION :

The provision for taxation is ascertained on the basis of assessable profit computed in accordance with provisions of Income Tax Act, 1961.

Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

2. Remuneration paid to Managing Director as per schedule XIII of the Companies Act, 1956 is Rs. 120000/- (Previous year Rs. 120000/-). Computation of net profit for the purpose of managerial remuneration, in accordance with the Companies Act, 1956 has not made since the terms of appointment do not envisage any payment by way of commission.
3. No provision has been made for liability on account of gratuity, as none of the employee of the Company is eligible for gratuity under the relevant law on the subject.
4. Balance in respect of sundry creditors, loans and advances (including interest thereon) are subject to confirmation from respective parties.
5. Previous year's figures have been regrouped and rearranged wherever deemed necessary.
6. Figures are taken to the nearest of Rupee
7. As the Company's business activity falls within a single primary business segment viz. construction of flats the disclosure requirements of Accounting Standards (AS-17) "Segment Reporting", issued by The Institute of Chartered Accounts of India are not applicable.
8. "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. The deferred tax charge of Rs. 21130/- for the year has been recognized in the profit and loss account as per Accounting Standard - 22.

	Deferred Tax Assets (Liability) As at 01.04.2003	Current Year (Changes) Credit	Deferred Tax Assets (Liabilities) As at 31.03.2004
Difference between Book & Tax Depreciation	(159874)	(21130)	(181004)
Total	(159874)	(21130)	(181004)

9. There was no amount due to Small scale undertaking exceeding Rs. 1 lac each outstanding for more than 30 days at the close of the year. This disclosure is based on the documents / informations available with the company regarding their status of the small scale undertaking.
10. There is no contingent liability except otherwise stated elsewhere in this schedule.
11. A. Related party disclosures under Accounting Standard 18
 - A) Associates
 - Jaipur Sales Pvt. Ltd.
 - Mansi Sales Pvt. Ltd.
 - Kadamb Builders
 - Ashi Bricks Industries
 - Jaipur Bricks Industries
 - City Times
 - City Steps

Sidhi Vinayak Build Estate Pvt. Ltd.
 Gajanan Enclave Pvt. Ltd.
 Sidhi Vinayak Estate Pvt. Ltd.
 Roop Beauty Care (P) Ltd.
 Sidhi Ganesham Real Estate Pvt. Ltd.

B) Key Managerial Personnel

1. Mr. M. K. Gupta
 2. Mrs. Heeru Gupta

Chairman and Mg. Director
 Director

C) Transaction during the year with related parties

(Amount in Rs. Lacs)

	Associates As at 31st March		Key Managerial Personnel As at 31st March		Total As at 31st March	
	2004	2003	2004	2003	2004	2003
Investment, sundry Debtors & Loans and Advances	303.22	167.54	—	—	303.22	167.54
Current Liabilities	—	—	—	—	—	—
Income						
Rent	1.80	—	—	—	1.80	—
Expenses						
Interest	—	—	1.51	1.51	1.51	—
Director Remuneration			1.20	1.20	1.20	1.20

10. Earning per Shares

	Current Year	Previous Year
Profit After tax as per Profit & Loss Account (Rs.)	11290	1138160
No of equity shares (after forfeitures)	2447500	2447500
Basic and diluted earning per shares in rupee (face value Rs. 10/- per shares)	0.01	0.47

QUANTITATIVE AND VALUE ANALYSIS
A. Sales of Construction Unit

(Amount in Rs.)

Particulars	Unit	Qty. in sq. ft.	Value
Shop	1	406	495000
(Previous year)	2	339	500000

 As at 31st March
2004

 As at 31st March
2003

B. Building Material Consumption

Nil

Nil

C. Quantitative and Value analysis of Closing Stock
i) Construction Material

	Qty.	Amount	Qty.	Amount
Cement Bags	200	29000	200	29000
Other Material	Nil	Nil	Nil	Nil

**ii) Work in Progress
Construction and development
of residential flats/shops**

622131 736730

Un allocated land/Land development Exp.

745714 917420

D. Completed Unit

4542031 4542031

Earning in foreign currency

Nil Nil

Balance sheet Abstract and Companies General profile :
1. Registration Details

Registration No.	010435
State Code	017
Balance sheet Date	31.03.2004

(Amount in Rs. Lacs)

2. Capital Raised during the Year

Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

3. Position of Mobilisation and Deployment of Funds :

Total Liabilities	427.34
Total Assets	427.34

Sources of Fund

Paid-up Capital	375.03
Reserve & surplus	20.73
Secured Loan	3.46
Unsecured Loan	15.36
Deferred Tax Liabilities (Net)	1.81

Application of Fund

Net Fixed Assets	15.59
Investment	2.71
Net Current Assets	394.81
Misc. Expenditures	3.28

4. Performance of the Company

Turnover / other income	15.88
Total Expenditure	15.49
Profit Before Tax	0.39
Profit After Tax	0.11
Earning Per Shares (Rs.)	0.01

5. Generic Terms of Three principal Products / Services of company (as per monetary terms)

Item Code No. (ITC Code) : Not Available
Products Description : Construction

As per our report of even date annexed

For and on behalf of the Board

For **MAHESHWARI & KEDAWAT**
Chartered Accountants

V. K. Kedawat
Partner
Membership No. 74211

M. K. Gupta
Chairman cum
Mg. Director

Ganga Ram Khandelwal
Director

Heeru Gupta
Director

Place : Jaipur
Dated : 29.06.2004

KADAMB CONSTRUCTIONS LIMITED

Regd. Off. : 211-212, Shalimar Complex, Church Road, Jaipur - 302 001

L. F. No. :

No. of Shares held :

ATTENDANCE CARD

I/We hereby record my/our presence at the NINTH Annual General Meeting of the Company held at Registered office 211-212, Shalimar Complex, Church Road, Jaipur on Wednesday 29th September, 2004 at 10.30 A.M.

Name of the Shareholder
(in block letters)

Signature of the Shareholder

Name of the Proxy (in block letters)

Signature of the Proxy

- Notes :
1. Please sign and hand this over at the entrance.
 2. If you appoint a proxy to attend the meeting, instead of yourself, the proxy must be deposited at the Registered Office of the Company at 211-212, Shalimar Complex, Church Road, Jaipur not less than 48 hours before the meeting is scheduled to commence.

(tear here)

KADAMB CONSTRUCTIONS LIMITED

Regd. Off. : 211-212, Shalimar Complex, Church Road, Jaipur - 302 001

L. F. No. :

No. of Shares held :

FORM OF PROXY

I/We.....of.....in the district of.....being member/members of the above named Company hereby appoint.....of.....in this district of.....or, failing him.....for me/us on my/our behalf at the NINTH Annual General Meeting of the Company to be held on Wednesday 29th August, 2004.
Signed this.....day of.....2004.

Rs. 1/-
Revenue
Stamp

Signature

Please strike out whatever is not applicable.

- Notes :
1. The proxy must be deposited at the Registered office of the Company at 211-212, Shalimar Complex, Church Road, Jaipur - 302 001 not less than 48 hours before the meeting is scheduled to commence.
 2. This form is to be used in favour of/against the resolution(s) coming up for consideration of the Meeting. Unless otherwise directed, the proxy will vote at it thinks fit.

PRINTED MATTER
BOOK-POST

To,

If Undelivered please return to :

KADAMB CONSTRUCTIONS LIMITED

Registered Office : 211-212, Shalimar Complex, Church Road, JAIPUR - 01